

6-13-1994

In Economic Terms People Count!

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Recommended Citation

Smolski, Chester, "In Economic Terms People Count!" (1994). *Smolski Texts*. 290.
https://digitalcommons.ric.edu/smolski_text/290

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In economic terms people count!

The economic picture for Rhode Island is looking brighter. Recent forecasts by Manpower Inc. and the New England Economic Project (NEEP) paint a positive picture in the short-term future, reflecting the favorable signs evident in the slow recovery of the economy being experienced throughout the region.

The 37 percent increase in hiring in the state over the next three months projected by Manpower is well above the national figure of 29 percent which, itself, was the highest in the past five years. And in New England, according to the most recent figures put out by NEEP, the state's non-farm jobs will increase by 2.5 percent this year, best among the six New England states after New Hampshire's 4.2 percent.

The good news that the Navy will transfer more than 700 technical jobs from New London to its Newport Naval Undersea Warfare Center headquarters helps to offset the loss expected by the transfer of the Officer Candidate School to Pensacola, Fla., and the remainder of the fleet to Norfolk, Va.

Yes, the signs for economic recovery are improving but there is one fly in the ointment, and that is population. Population?

Much economic growth is predicted on continuing growth in numbers of people who provide new markets for housing, cars, televisions and a host of other consumer goods. And without that growth, long-term economic recovery and prosperity will be questionable.

The Northeast is a slow-growing area, and Rhode Island is little different from the rest of this nine-state region. From 1980 to 1990 the Northeast grew by 3.4 percent as compared with 9.8 percent for the entire country. This is why the region lost seven seats in the House of Representatives, whereas the South gained seven due to population increase.

Compared with the rest of New England, Rhode Island's 5.9 percent increase in population was the highest for the three states in the south of the region, while Maine, New Hampshire and Vermont in the north were close to or exceeded the national growth rate. But more recent figures for the state paint a less encouraging picture.

To update its numbers from the decennial census, the U.S. Census Bureau, working in cooperation with the state's Division of Planning, provides annual estimates of the state's population, and in even-numbered years they provide population estimates of the cities and towns in the state as well.

The road ahead looks a little bumpy. In 1993 this state and Connecticut were the only two states in the country that experienced a loss from the year before. Further, Rhode Island is projected to drop below the 1 million mark by the year 2000, a figure that the state attained just in 1990, before it shows an increase of 92,000 by the year 2020.

Of this projected increase the bureau estimates that 70,000 of it will come from a further increase of Hispanics, a result of the excess of births over deaths as well as new immigrants. If these projections are correct, one of every nine Rhode Islanders in the year 2020 will be Hispanic, already our largest minority population in the state and currently one of every 20 Rhode

Islanders.

In addition, all racial groups will increase in numbers — white, black, Asian and American Indian. Since whites have the lowest birth rates and because most immigrants are minorities, the percentage increase will be smallest for whites, projected at only 3.5 percent. This means that the 93 percent white population in the state for 1993 will be 89 percent in the year 2020.

The other change slated for the state will be in its age structure, with further increase in the number of elderly and a decline in the age groups younger than 18 years. The age group 65 and older will jump from 153,000 in 1993 to 195,000 in the year 2020, comprising 17.9 percent of the population as compared with the 1993 figure of 15.2 percent.

Although the number of the young population below 18 will remain essentially the same over this period, at 234,000, their percentage of the total will decline relative to the increasing total population from 23.4 percent in 1993 to 21.5 percent in 2020.

The net result of these changes in the dependent population, i.e., those persons less than 18 years and 65 and older, will increase from 38.6 percent in 1993 to 39.4 percent in the year 2020.

With this type of mix, it is likely that Rhode Island's below-the-national-average birth rate

will continue into the future and the ageing process will continue to add to the elderly population. Combined with continuing immigration that will bring many to these shores who do not speak the language, there will be the need for increased social services to these populations, all of which require improving economic conditions.

Creating new jobs in the state can change this mix of population because it is the younger working population that moves to where jobs are located. This is why job-creation activities being proposed in the state are so essential, not only for better living conditions for those already here, but also to attract a different mix of the population that will not only bring new and different skills to the state but also innovative ideas and energy, those attributes that often are lost when a population ages.

A recognition of our demographic characteristics and attributes is a necessary condition for improving our economic conditions. And analyzing future demographic trends is an absolute necessity in giving direction for a better economy.

Chester E. Smolski is professor of geography and director of urban studies at Rhode Island College. His column appears monthly.